STAND. COM. REP. NO. 316

Honolulu, Hawaii

APR - 1 2014

RE: H.B. No. 1300

H.D. 1 S.D. 1

Honorable Donna Mercado Kim President of the Senate Twenty-Seventh State Legislature Regular Session of 2014 State of Hawaii

Madam:

Your Committee on Judiciary and Labor, to which was referred H.B. No. 1300, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO A FIDUCIARY'S STANDARD OF CARE AND PERFORMANCE,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Allow the settlor of a trust to designate the investment and other responsibilities to an advisor and maintain the administrative functions with the trustee;
- (2) Limit the trustee's liability for investments, transactions, and other functions over which the trustee does not exercise responsibility; and
- (3) Waive a dissenting trustee's fiduciary duty for specific transactions subject to certain limitations.

Your Committee received testimony in support of this measure from Central Pacific Bank.

Your Committee finds that existing law does not specifically authorize directed trusts in Hawaii and, as a result, estate planners and advisors recommend that their clients establish directed trusts in or move their existing trusts to other states. This measure authorizes directed trusts in Hawaii to encourage



Hawaii residents to establish directed trusts in Hawaii rather than establish directed trusts or move the situs of existing trusts outside of Hawaii.

Your Committee has amended this measure by making a technical, nonsubstantive amendment for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1300, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1300, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Respectfully submitted on behalf of the members of the Committee on Judiciary and

Labo

CLAYTON HEE, Chair

The Senate Twenty-Seventh Legislature State of Hawai'i

Record of Votes Committee on Judiciary and Labor JDL

Bill / Resolution No.:*	Committee Referral:		Date: /		
HB 1300 HD1 1		DL	3	1/2/14	
The committee is reconsidering its previous decision on this measure.					
If so, then the previous decision was to:					
The Recommendation is:					
Pass, unamended Pass, with amendments Hold Recommit 2312 2311 2310 2313					
Members		Aye	Aye (WR)	Nay	Excused
HEE, Clayton (C)		V			
SHIMABUKURO, Maile S.L. (VC)					
GABBARD, Mike					
GALUTERIA, Brickwood					
IHARA, Jr., Les		V			
SOLOMON, Malama		V			
SLOM, Sam		/			
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TOTAL	_	6			
Recommendation: Adopted Not Adopted					
Chair's or Designee's Signature:					
Distribution: Original	•		Pink Goldenrod		
File with Committee Report Clerk's Office Drafting Agency Committee File Copy					

*Only one measure per Record of Votes